Milton Keynes Core Strategy Examination

Hearing Statement: Matter 3 - Overall Housing Provision

Gallagher Estates

Respondent Ref: 273046

May 2012
Milton Keynes Core Strategy Examination

Hearing Statement: Matter 3 - Overall Housing Provision

Barton Willmore on behalf of Gallagher Estates

Respondent Ref: 273046

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Appendix 2: Western Expansion Area - Joint Delivery Statement prepared by Gallagher Estates and Milton Keynes Council
0.0 INTRODUCTION

0.1 This Statement has been prepared by Barton Willmore LLP on behalf of Gallagher Estates. As background, Gallagher Estates controls and is the promoter of development at various strategic locations at Milton Keynes including the Western Expansion Area (WEA); land within the Strategic Land Allocation comprising Glebe Farm, Eagle Farm North and Eagle Farm South; and land immediately to the south of Milton Keynes at Eaton Leys (which forms part of the site identified by the Council as ‘MKSA9’).

0.2 This Statement seeks to address the questions raised by the Inspector, setting out the case on behalf of Gallagher Estates regarding the soundness of the Core Strategy as submitted and whether the legal and procedural requirements have been met.
Q3.1 **Is the overall housing provision figure soundly based? Does the Core Strategy provision figure meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with national policy?**

3.1.1 The Council’s explanation for determining the proposed level of housing provision for this Core Strategy is set out, principally, with the Housing Technical Paper including the March 2012 update (Documents B126 and B126A respectively).

3.1.2 The two most relevant indicators of housing need and demand which are available for this examination are the latest ONS 2008-based household projections and the Council’s Strategic Housing Market Assessment (SHMA) (Document B108). Taken in isolation, the household projections point to a level of housing below the Core Strategy figure, with approximately 1,600 additional households projected annually during the plan period. Conversely, the SHMA (Doc. B108) indicates a level of need far in excess of the Core Strategy figure, with approximately 3,400 new households required annually.

3.1.3 These indicators are shown in Table 3.1 below with a comparison against the Core Strategy housing figure.

**Table 3.1: Comparison of Proposed Core Strategy Housing Figure with Other Indicators**

<table>
<thead>
<tr>
<th>Source</th>
<th>Level of need/demand (per annum)</th>
<th>Compared to Core Strategy requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHMA</td>
<td>3,366</td>
<td>+1,616 (192%)</td>
</tr>
<tr>
<td>ONS 2008-based household projections</td>
<td>1,560</td>
<td>-190 (89%)</td>
</tr>
<tr>
<td>The South East Plan</td>
<td>2,068</td>
<td>+318 (118%)</td>
</tr>
</tbody>
</table>
3.1.4 An important consideration related to the level of housing provision proposed is the impact on economic growth including the balance between jobs and labour supply within the area. The Council’s Housing Technical Paper (Doc. B126) confirms that significant employment growth is projected (para 2.115), with up to 48,000 jobs available via committed development land. It also advises that the Council’s own population modelling indicates that around 14,000 new economically active residents will arise from the proposed Core Strategy housing figure (para 2.98). Such evidence indicates that there will be a considerable impact on commuting patterns and a sustainable approach to growth in the area. In addition, there is also the potential for this worsening imbalance to affect worsening house price affordability.

3.1.5 The evidence presented in the Council’s background supporting evidence is inconclusive in presenting an objective assessment of the full development needs of the area. Various indicators of housing need are reviewed by the Council, as summarised above. Setting aside the concerns held by the Council regarding the ability of the housing market to deliver, no robust conclusions appear to have been reached by the Council regarding the objectively assessed level of need and demand for housing in the area.

3.1.6 In our view, the Council’s evidence does not present an objective assessment of the full needs for market and affordable housing in the area, as required by the NPPF. Such an objective assessment of the full development needs of the area must be the starting point for assessing the soundness of the overall housing figure proposed in this Core Strategy. We review the extent to which the RS and its supporting evidence constitute such an objective assessment of the need for housing in response to Q3.2 below.

3.1.7 Once the level of need and demand has been identified, the NPPF advises that a balancing exercise should be undertaken taking into account other considerations such as environmental or other constraints to delivery. The Council must therefore confirm what it considers to be the full objectively assessed needs for housing and other development in the area before any such balancing exercise can be made.

3.1.8 In moving away from the RS housing requirement, the evidence available shows that the Council has relied heavily upon a judgement of “realisable demand” or the ability of the local housing market to deliver a level of housing growth above the Core Strategy figure (see B126). Other negative impacts associated with a level of housing above the Core Strategy figure are identified in the Council’s Housing Technical Paper (Doc. B126).
3.1.9 Gallagher Estates challenge the Council's assessment of the local housing market at Milton Keynes. Any short term housing market and finance considerations should not unduly suppress the level of housing provision to be planned for over the life of this Core Strategy. We are concerned that the Core Strategy is a plan for recession rather than a plan for growth, anticipating a decline in delivery rates for the majority of the plan period (see Doc. B126; Figure 10).

3.1.10 We also challenge the suggested adverse impacts which do not show that the benefits of enabling a higher level of housing development in the area would be “significantly and demonstrably” outweighed, in accordance with the presumption in favour of sustainable development (NPPF; paragraph 14).

3.1.11 Even if these arguments put forward by the Council are accepted, there is no clear evidence which underpins the Core Strategy figure, as opposed to a higher level of housing closer to the RS requirement which we discuss below. For the reasons explained below, we consider there to be scope to explore the Core Strategy figure being treated as a minimum, with the potential to enable additional sustainable development.

3.1.12 Importantly, we are supportive of the Core Strategy in enabling the development of the SLA as a future sustainable urban extension of Milton Keynes. The SLA will make an important short, medium and longer term contribution to the delivery of housing and jobs in the life of this plan, as we demonstrate through our response to Matter 6.
Q3.2 How should the overall provision figure be assessed against the South East Plan and its evidence base, so far as they remain relevant?

3.2.1 The Core Strategy figure for Milton Keynes Borough is approximately 18% (320 dpa) below the RS requirement (see Table 3.1 above). The degree of variance with the RS needs to be assessed against the current legal requirement for general conformity, as we have explained in our response to Matter 1. Setting this legal requirement aside, the evidence base which informed the preparation of the RS could be of relevance for an assessment of the soundness of the housing figure.

3.2.2 Whilst the majority of the evidence considered through the RS examination should now be considered out of date, it does serve to provide a useful benchmark for an objective assessment of the development needs of the area, as is required by the NPPF. It is noteworthy that the SEP Examination Panel in 2007 considered that the level of housing in the RS is at the upper end of the level which could realistically be expected to be delivered in the area (Doc. R8).

3.2.3 The key factors discussed in the RS EiP Panel’s report of relevance to this matter are:

- The ONS Household Projections, including the level of in-migration which should be planned for;
- Balancing growth in new jobs and new homes and the implications on economic growth;
- The potential to deliver high levels of growth, having regard to past levels of housing completions at Milton Keynes and the sustainable of the directions for growth.

3.2.4 As we have concluded in response to 3.1 above, the appropriate level of housing provision should be determined by a judgement which has given appropriate weight to the benefits and adverse impacts of planning to meet the full objectively assessed needs of the area.

3.2.5 The Council’s assessment contained within the Housing Technical Paper plus the 2012 update (Docs. B126 and B126A) has taken a range of factors into account. This includes the evidence considered through the RS process supplemented as appropriate by updated information prepared by the Council (NPPF; para 218).
3.2.6 Taking this into account, we believe that the Core Strategy figure should be treated as a minimum, with the policies revised to enable the delivery of a higher level of provision. Such additional growth could be explored through an early review of this Core Strategy and/or through the preparation of Local Plans for adjoining authorities including Aylesbury Vale.
Q3.3 Are there reasonable prospects for delivery of the proposed level of housing?

i) Is enough suitable land identified and will the sites be brought forward on time?

3.3.1 A separate supporting statement is currently being prepared by the Council, Gallagher Estates and the other developer interests within the SLA. This will confirm that the delivery of the SLA will take place within the plan period (by 2026), with outline planning applications for the development of Glebe Farm, Eagle Farm South and Eagle Farm North all targeted for submission during 2012.

3.3.2 The SLA is almost entirely serviced directly off the A421, with new principal accesses proposed at the existing Magna Park roundabout and a new Eagle Farm junction. The SLA is also able to link with existing service infrastructure. This proposal benefit from being a planned extension of the continued growth of the Eastern Expansion Area and Milton Keynes as a whole.

3.3.3 We have provided details of the expected delivery of housing from the SLA within the control of Gallagher Estates at Appendix 1.

ii) Is the reliance on existing commitments adequately justified, and especially, dependence on the Western Expansion Area?

3.3.4 A supporting statement addressing the delivery of the WEA has been prepared jointly by Gallagher Estates and the Council. This details the progress which has been made through planning and the transfer of land to housebuilders. The projected delivery rates for WEA (Area 10 and Area 11) are realistic and based upon the considerable experience held by Gallagher Estates in releasing land for strategic scale development.

3.3.5 A copy of this joint statement is provided as Appendix 2.

iii) Are there any particular viability, infrastructure or other barriers to delivery that need to be addressed?

3.3.6 We address viability, infrastructure and potential barriers to delivery relating to the SLA in our statement for Matter 6.
iv) Will the sites offer reasonable choice and flexibility in market terms?

3.3.7 Yes. As explained in the joint statement regarding the delivery of the WEA, each strategic development allows for a range of parcels and outlets to be deliver at any one time. The geographical spread of the major sites both planned and already committed provides for choice and flexibility in the local market. Furthermore, the strategic scale of each area including the SLA allows for a wide-ranging mix and type of housing. This includes the SLA which will complement delivery from other commitments and planned development in and around Milton Keynes.

3.3.8 For the reasons given in our response to Matter 7, land at Eaton Leys offers a further opportunity for strategic scale development to the south of the City. Eaton Leys has previously been recognised as a sustainable location for development, as reviewed in our November 2011 submissions, and would complement the choice and flexibility of sites for housing in market terms in another direction for growth at Milton Keynes.

v) Does the plan provide for a five-year supply of specific deliverable sites and an appropriate buffer of supply, consistent with national policy?

3.3.9 This is a matter for the Council to address.
Q3.4  i) Overall, do the proposals for housing provision take sufficient account of uncertainties and risks? ii) Are the monitoring, managing and contingency measures adequate? iii) On this basis, is the overall strategy reasonably flexible?

3.4.1 Gallagher Estates has a proven track record in the delivering strategic land for development. The WEA is at an advanced stage in bringing forward and first completions are expected in 2013/14, with the anticipated rates of completions based on a detailed understanding of the expected build out rates (see Appendix 2).

3.4.2 Our statement for Matter 6 addresses any uncertainties and risks which need to be taken into account in relation to the SLA. Nonetheless, Gallagher Estates as the majority landowner is firmly committed to bringing forward land within the SLA which is within their control.

3.4.3 Chapter 17 of the Core Strategy covers ‘monitoring and managing’. Table 17.1 of the Core Strategy identifies targets and indicators. However, there are no management measures identified which could provide flexibility or serve as a contingency in relation to housing provision. In this regard, we recommend that land at Eaton Leys should be identified as an additional location for development if needed to maintain a sufficient supply of housing or meet other identified needs during the plan period.
Q3.5 Does the Core Strategy give sufficient consideration to the provision of affordable housing?

3.5.1 Paragraph 10.7 of the Core Strategy states that the affordable housing requirement for the SLA will be determined through the Development Framework SPD process. Whilst we are willing to consider a more flexible approach to affordable housing based upon viability, the starting point should be established through this Core Strategy with reference to the existing Tariff Framework Agreement.

3.5.2 Importantly, the proposed SLA Development Framework process runs the risk of avoiding the scrutiny of independent examination if requirements are not more clearly established through the Core Strategy. As we explain in our response to Matter 6, the Core Strategy should not unduly avoid establishing more precisely the requirements for infrastructure, services and facilities needed to support the SLA.
Q3.6  i) In the light of the Government’s Planning Policy for Traveller Sites, does the Core Strategy give sufficient consideration to this matter? ii) Pending completion of the steps referred to in paragraph 10.8 of the Core Strategy, how and on what basis will such needs be addressed?

3.6.1  This is not a matter which Gallagher Estates wish to comment.
Appendix 1

SLA Delivery Briefing Note prepared by Barton Willmore on behalf of Gallagher Estates
MILTON KEYNES CORE STRATEGY EXAMINATION
DELIVERY OF THE STRATEGIC LAND ALLOCATION
STATEMENT SUBMITTED ON BEHALF OF GALLAGHER ESTATES

Introduction

The following statement has been prepared on behalf of Gallagher Estates regarding the delivery of the Strategic Land Allocation (SLA) which forms part of the Core Strategy. The statement deals with the land within the SLA which is owned or controlled by Gallagher Estates, comprising:

i. Glebe Farm;
ii. Eagle Farm South; and
iii. Eagle Farm North.

Implementation

We currently anticipate the following programme for obtaining planning permission and up to first completions being delivered from the SLA:

- Late 2012 – outline planning applications submitted for all three Gallagher sites.
- Spring 2013 – outline planning permissions granted
- Late 2013 – reserved matters planning applications submitted
- Summer 2014 – approval of reserved matters applications and discharge of conditions
- Late 2014 – contractors appointed
- Early 2015 – infrastructure commences with first disposal of land scale parcels
- Summer 2015 – housebuilding commences
- Late 2015 – first housing completions

Housing Delivery

The following trajectory details the anticipated delivery of housing from the land within the control of Gallagher Estates. The estimated completion rates have had regard to the planned delivery of
housing development within the plan period from other land which forms part of the SLA. Please note that this development is not included in the figures presented below and will therefore be additional to the completions set out below.

<table>
<thead>
<tr>
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<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>21/22</th>
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<td>200</td>
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<td>200</td>
<td>200</td>
<td>200</td>
<td>100</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2

Western Expansion Area – Joint Delivery Statement prepared
by Gallagher Estates and Milton Keynes Council
Milton Keynes Core Strategy
Public Examination

Gallagher Estates and Milton Keynes Council

Joint Supporting Statement:
Western Expansion Area Delivery

May 2012
Western Expansion Area Delivery:

Joint Supporting Statement:
Gallagher Estates and Milton Keynes Council

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Introduction

0.1 This Statement has been prepared by Barton Willmore LLP, acting on behalf of Gallagher Estates. The Statement has been prepared to assist the Inspector and the Examination in understanding the background to and reliability of delivery of the Western Expansion Area at Milton Keynes over the period of the Core Strategy.

0.2 The Statement covers the following matters:

(i) Gallagher’s general commitment to bringing the site forward;

(ii) Clarification of the current position;

(iii) The approach to implementation and forecast build rates.

0.3 By way of background, the Western Expansion Area (WEA) for Milton Keynes has been planned from the late 1990’s onwards in order to meet part of the major requirement for housing growth in the South East and South Midlands over the period to 2021 and beyond. The WEA comprises two areas (“Area 10” and “Area 11”) lying within Milton Keynes Borough immediately to the south west of the pre-existing built limits of Milton Keynes adjoining the residential area of Fullers Slade and the employment area of Kiln Farm. The sites are bounded by Watling Street (V4) to the east or north-east. To the north lies Stony Stratford and to the south east Crownhill. The boundary between the two areas is marked by Calverton Lane. The western boundaries lie along agricultural field boundaries. Area 10 extends to approximately 228 hectares (564 acres), while Area 11 extends to approximately 123.5 hectares (305 acres).

0.4 The planning policy framework underlying the development of Areas 10 and 11 comprises the adopted Milton Keynes Local Plan (December 2005) and the Milton Keynes Western Expansion Area Development Framework (November 2005). Additionally the Western Expansion Area is covered by the Milton Keynes Tariff and Framework Section 106 Agreement. Separate outline planning applications for the two areas were submitted in 2005. The planning permission for Area 10 was issued on 5th October 2007 and for Area 11 on 15th
October 2007, in both cases following the completion of Site Specific S106 Agreements, which relate separately to the two areas.

0.5 In both cases, the planning permissions require the preparation, submission and approval of a number of documents prior to the submission of reserved matters and the commencement of development. In the case of Area 10, the Master Plan and Highway Design Code were submitted and approved in 2008, while the Residential Design Code for Area 10.1, Phase 1, was approved in November 2009. In the case of Area 11, the “Highway Code” was submitted and approved in January 2009, with the first phase Area 11 Residential Design Code submitted in May 2012.

0.6 In each case, the first reserved matters applications for the primary infrastructure, including the primary roads, footways, cycleways, drainage and attenuation areas, utilities, pumping stations and sub-stations have been approved. The applications are reference numbers 08/01289/MKPCR for Area 10, which was approved in December 2011 and 08/01058/MKPCR for Area 11 which was approved in April 2012.

1.0 Gallagher’s general commitment to bringing the sites forward

1.1 Gallagher Estates is fully committed to the delivery of the Western Expansion Area. Since 2005 when work commenced on the preparation of the outline planning applications, Gallagher Estates (or its subsidiaries) have invested many millions in the professional and consultancy work required to bring forward these sites. A further budgetary allowance for work over the coming 18 months to progress the schemes so that sites are released to the market and delivery can commence on the programme outlined below.

1.2 The commitment to date and the renewed commitment since the start of 2011, follows a period of 3 years in which a number of uncertainties have affected the release of the Western Expansion Area. Following the submission of the reserved matters applications for the primary infrastructure for the two sites, Milton Keynes Council Members and the public on consultation raised doubts about the proposed road pattern. It should be noted that the Local Planning Authority dealing with the planning applications for the Western Expansion Area is the Milton Keynes Partnership. Although Milton Keynes Council is a member of the Partnership, its various departments are consultees in the planning application processes and this can from time to time lead to debate over the application of what on face value are
agreed principles. In the case of Areas 10 and 11, the highways and access arrangements, as set out in the 2005 Development Framework and the Development Briefs associated with the outline planning permissions, are based on the provision of “city streets” – routes with bus priority – rather than the extension of the Milton Keynes grid roads. However, it was only at the stage of public consultation on the primary infrastructure reserved matters applications that it became clear that there was significant unease about this approach.

1.3 As a result, throughout 2009 and 2010, Gallagher Estates, Milton Keynes Council and Milton Keynes Partnership were in dialogue about a means of adapting the submitted highways proposals in order to extend the grid roads into the Western Expansion Area. A new protocol was finally concluded in December 2010 and agreed in January 2011. It is on this basis that Gallagher Estates have been able to progress and gain approvals to their infrastructure proposals for the sites and to move forward with the schemes.

1.4 The state of the housing market in 2008 – 2011 has however also played a part in the delays. The issues regarding the access arrangements might undoubtedly have been capable of swifter conclusion had there been greater confidence in the ability to deliver the schemes at that time. However, Gallagher Estates now has the confidence to move forward, based on its experience with the Broughton Manor Farm development and its other major developments of a similar size nationally (explained later in this note) and is actively working to secure the approvals for the start-up infrastructure. Relevant Infrastructure approvals are now in place with Section 278 and Section 38 approvals received enabling junction and early highway works to be implemented.

1.5 As with all major development companies, Gallagher Estates regularly reviews the viability of all of its developments prior to investment decisions. The current and forthcoming investment in the Western Expansion Area is founded on the company’s analysis which demonstrates the financial viability of the schemes in current and foreseen market conditions. Subject to no significant reversals in the housing market in Milton Keynes – and based on its current experience at Broughton Manor Farm and other major developments of a similar size nationally – Gallagher Estates is ready to move forward with the planning and implementation of the Western Expansion Area on the programme that is described below.
2.0 The Current Position on WEA

2.1 At the time of writing, Gallagher Estates are actively pursuing a flow of work to enable delivery on the WEA. Slightly differing programmes are in hand for Areas 10 and 11.

2.2 For Area 10, instructions have been issued to:-

- Prepare the Site Drainage Strategy and revised Phase 1 infrastructure scheme; both now subsequently approved.
- Undertake updated Ecological surveys (now concluded);
- Have gained approval from Natural England for the fencing, trapping and translocation of Great Crested Newts sufficient to release the employment area, up to 45 acres of residential land and the infrastructure required to service them. Fencing works and trapping commenced in May 2012.
- A second licence application to Natural England has been submitted, May 2012, for the fencing, trapping and translocation of Great Crested Newts to a further phase area which will, when approved, release the High Street Area, provide access to the first Primary School, the Secondary School and a further 50 acres of residential land. Approval is expected around July 2012 with fencing and trapping to commence immediately upon approval.
- Archaeological works to release the areas outlined above has now been completed.
- The Phase 1 landscaping scheme was approved in January 2012. The Phase 2 Landscaping Scheme will be presented to committee in June 2012.
- The Phase 2 Residential Design Code, covering just over 1100 dwellings was formally submitted in May 2012.

2.3 To date submissions and approvals have been progressed as follows:-

- Reserved matters approvals have been granted for the primary access roads, the balancing areas and the phase 1 open space areas.
- The Road & Movement Design Code for the whole of Area 10 was approved in June 2008.
- The first phase Residential Design Code covering some 950 dwellings was approved in November 2009.
MILTON KEYNES CORE STRATEGY EXAMINATION
JOINT SUPPORTING STATEMENT:
WESTERN EXPANSION AREA DELIVERY

- Section 73 Application to increase the size of the consented foodstore to 9000 sq
  metres approved in February 2012.
- The Section 38 Highways Act technical approval for Phase 1 & 2 has been achieved
  with completion of the Section 38 Highways Approval is imminent.
- The S278 Interim Junction Designs for the junctions on H4 Dansteed Way and V4
  Watling Street in accordance with the agreed strategy with Milton Keynes Council
  has been approved, with legal agreements expected to be engrossed shortly.
- approval under Section 104 of the drainage design (approval by Anglian Water);
- approval by the Environment Agency of amendments to the land drainage regime;
- discharge consents for the SUDS system has been approved.
- The development programme, required to be approved by Milton Keynes Partnership
  under conditions 5 of the outline planning permission will be submitted late in 2012
  once a contractor is in place.

2.4 Approval has already been gained from MKP under condition 22 of the outline planning
permission for the ground condition report and work is in hand to secure the submission of
all necessary details to discharge remaining conditions in the period from now until
December 2012, clearing the way for the start to development.

2.5 Tender documentation is in the course of production for the Phase 1 infrastructure
(engineering and landscaping works) with a view to completing a ‘construction pack’ for the
successful tenderer(s) by September 2012. Pre-contract utility diversion works, including on
site diversions are currently underway.

2.6 The Phase 1 infrastructure tender is planned to be advertised in September 2012, leading to
the award of contract and mobilisation in December 2012/January 2013. The commencement
of the Phase 1 infrastructure is thus planned to commence in January 2013.

2.7 Meanwhile work is underway to prepare land sale parcel plans and information packs for the
individual development parcels, with the target of issuing packs to interested parties from
September 2012. There appears to be housebuilder interest in the development with
enquiries received to date from both National and Regional developers. Land sales are
programmed to complete in March 2013 with the first serviced land parcels available for
handover in June 2013, enabling the start to housebuilding in that month. On that basis, the
first housing completions are expected on Area 10 around December 2013. So far, all
actions are on track to deliver this timing of first completions.
2.8 A similar detailed programme of actions has been prepared for Area 11. Work is well underway on site, principally in relation to the updating of the drainage strategy, ecological habitat surveys, landscape design, archaeological mitigation works, and the formal submission of the Phase 1 Residential Design Code. Work is also in hand to apply to divert fuel oil pipelines that cross the site to relocate these towards the western edges of the site where they would have least effect on residential development parcels and their design. (A similar application is in preparation for Area 10, although this has limited effect on the Phase 1 proposals and is intended to reduce the risk to later phases of the presence of the pipelines crossing school sites and residential areas.)

2.9 The first Natural England Licence to trap and translocate GCN has now been submitted, with approval expected later this year enabling trapping works to be completed by October 2012. As a result, infrastructure works for Area 11 cannot be put in hand until spring 2013, while the release of land parcels is not therefore programmed until March 2013, some six months later than Area 10. First completions are expected in spring 2014, on this basis.

The approach to implementation and delivery rates

3.1 As in other major schemes that Gallagher Estates manage and deliver, the intention at the Western Expansion Area is to create serviced development parcels that are sold on an open market basis to private housebuilders, housing associations and other suitable developers. The parcelisation is planned in order to deliver a range of parcel sizes that will appeal to a number of different housebuilders from small, local firms to the national companies.

3.2 A clear example of Gallagher Estates’ approach to delivering major housing sites and of the success that can be achieved by delivering serviced parcels to the housing market is provided by the current development at Broughton Manor Farm (or “Broughton Gate”), part of the Eastern Expansion Area. Based on an outline planning permission granted in July 2005, housebuilding commenced at Broughton Gate in Spring 2008. The development is a joint promotion of Gallagher Estates and Taylor Wimpey but site development is operated very much on the Gallagher Estates model. The site has delivered 31.69 ha (78.31 acres) of net saleable housing land, divided into 12 parcels, ranging in size from 1.14 ha (2.83 acres) to 3.92 ha (9.70 acres). Each parcel has been sold to a housebuilders including national housebuilders (Bryants, George Wimpey, David Wilson Homes, and Barratts, Cala and...
Redrow) and local and mid-sized companies (Abbey New Homes, Lagan and Careys). Each builder is responsible for the delivery of affordable as well as market housing.

3.3 First completions were delivered in Q3 of 2008 (on a total of 5 parcels) and by Q2 2009, houses were being delivered by 8 of the 12 parcels. To date (to the end of Q1, 2012) the site has delivered 721 market homes and 362 affordable homes - a total of 1083 new homes delivered in 4 years from the start of housebuilding. Four of the parcels are now fully complete, with all remaining parcels now active and achieving unit sales. It is likely that a further four parcels will complete this year.

3.4 Viewed in development plan years (April to March), the scheme has delivered the following completions since 2008:

<table>
<thead>
<tr>
<th></th>
<th>Market housing</th>
<th>Affordable</th>
<th>Total housing</th>
</tr>
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<tr>
<td>2008/09</td>
<td>75</td>
<td>86</td>
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<td>2011/2012</td>
<td>158</td>
<td>55</td>
<td>213</td>
</tr>
<tr>
<td>Total to date</td>
<td>721</td>
<td>362</td>
<td>1083</td>
</tr>
</tbody>
</table>

3.5 Ignoring the first (start-up) year, the scheme has delivered an average of over 350 dwellings per year, achieved by opening out a number of outlets through the coordinated delivery of primary infrastructure, the scheme has overall delivered significant numbers of new homes through arguably the most difficult years for housebuilding in many decades.

3.6 Gallagher Estates plans to approach the release of Areas 10 and 11 in much the same fashion, securing the opening up of a range of parcels, of a range of sizes and releasing these to a range of housebuilders. Each phase of around 6 ha (15 acres) will be subdivided into 4 or 5 parcels, ranging from 0.6 – 2.7 ha (1.5 – 6.6 acres) in size. Whilst infrastructure delivery and land sales will progress sequentially in the release of phases, it is planned that the phases will overlap in terms of the production of houses. The scale of these areas allows for parcels and phases to be
delivered simultaneously, being more attractive to housebuilders as there is minimal
direct market competition between developers. The programme for Area 10, for
instance, indicates that from 2014 onwards between 3 and 5 parcels are likely to be
in production at any one time. Adopting this proven and successful approach,
Gallagher Estates are confident of achieving the following patterns of completions in
Areas 10.

Area 10 - programmed completions to 2015 with estimates to 2026

<table>
<thead>
<tr>
<th>Year</th>
<th>13/14</th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>21/22</th>
<th>22/23</th>
<th>23/24</th>
<th>24/25</th>
<th>25/26</th>
<th>Post 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comps</td>
<td>25</td>
<td>187</td>
<td>298</td>
<td>300</td>
<td>300</td>
<td>320</td>
<td>320</td>
<td>320</td>
<td>360</td>
<td>360</td>
<td>320</td>
<td>320</td>
<td>290</td>
<td>610</td>
</tr>
</tbody>
</table>

3.7 For Area 11, housing completions are expected to commence later in mid 2014,
suggesting a relatively low level of delivery in 2014/15 and a pick-up towards peak
production levels thereafter. As a relatively smaller site than Area 10, it is likely
that a relatively lower number of simultaneous parcels might be achieved - although
it should be noted that the Area 11 scheme is still larger than Broughton Manor
Farm. Gallagher Estates are programming the following pattern of completions on
Area 11.

Area 11 - programmed completions to 2015 with estimates to 2026

<table>
<thead>
<tr>
<th>Year</th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>21/22</th>
<th>22/23</th>
<th>23/24</th>
<th>24/25</th>
<th>25/26</th>
<th>Post 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comps</td>
<td>216</td>
<td>297</td>
<td>300</td>
<td>280</td>
<td>280</td>
<td>210</td>
<td>210</td>
<td>180</td>
<td>174</td>
<td>73</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

3.8 This indicates that for Area 11, the entire site of 2,200 dwellings can be expected to
be completed well before the end of the Plan period in March 2026. For Area 10, it
is probable that the scheme of 4,330 dwellings will remain incomplete by the end of
the Plan period but with some 600 - 650 dwellings outstanding and a delivery of
3,700 - 3,750 dwellings in the Plan period.
Conclusion

4.1 Based on current experience at Broughton Gate and taking account of experience at similarly sized, major developments in Bedfordshire and Cambridgeshire (The Wixams and St Neots), Gallagher Estates expects to achieve the delivery of 3,900 - 4,000 dwellings on Area 10 and all 2,200 dwellings on Area 11 in the Plan period to 2026 in the Western Expansion Area. This delivery is founded on a well-established method of delivery, comprising the resolution of all planning matters (bar reserved matters for the houses themselves) and implementation of the primary infrastructure in order to create and market serviced residential parcels of a range of sizes to appeal to a range of housebuilders from the national to the local. Furthermore, Gallagher Estates are able to offer deferred payment terms to assist the housebuilders in their cashflow leading up to the delivery of homes.

4.2 A firm programme of actions is both planned and in hand for Area 10, expected to lead to the first sales of housing land in March 2013, with the handover of serviced parcels from June 2013 and first completions in December 2013. A similar programme is in place for Area 11. First completions here are anticipated in spring 2014. As stated above, Gallagher Estates has made substantial progress on bringing the site forward and few obstacles now remain.

4.3 Gallagher Estates has the experience and has made (and is making) a significant financial commitment to the delivery of the Western Expansion Area: there can be little doubt that Area 10 will be substantially built-out and Area 11 entirely built-out in the Plan period to March 2026.